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29 March 1962

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CENTRAL

INTELLIGENCE

# BULLETIN



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State Dept. review completed

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# CENTRAL INTELLIGENCE BULLETIN

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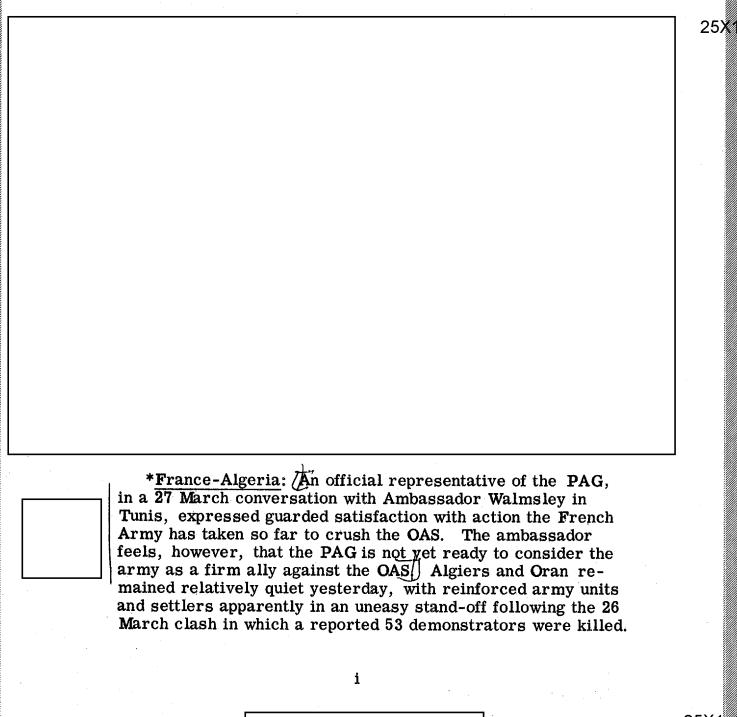
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#### CENTRAL INTELLIGENCE BULLETIN

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## DAILY BRIEF



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DAILY BRIEF

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Situation Report--Ecuador: Since he became president on 9 November, Arosemena has adhered to middle-of-theroad policies which have subjected him to strong criticism from both right and left, culminating in plots to force his resignation. A group of military leaders and conservatives, who favor breaking relations with Cuba and oppose tolerance of leftists in important government posts, plans to force Arosemena to resign in favor of the vice president. Several of the "constitutional coups" this group had planned since late December were called off when Arosemena showed willingness to risk civil war to retain office. The plotters may now be waiting for the outcome of the congressional elections on 3 June. If Arosemena's supporters win a strong majority in Congress, the plotters will be forced to decide whether to launch a coup or to accept Arosemena rather than affront public opinion.

President Arosemena announced late yesterday that	2
military insurrection had occurred in the southern city of	f
Cuenca but that it had no repercussions elsewhere. The	L
president said the situation is under control.	1

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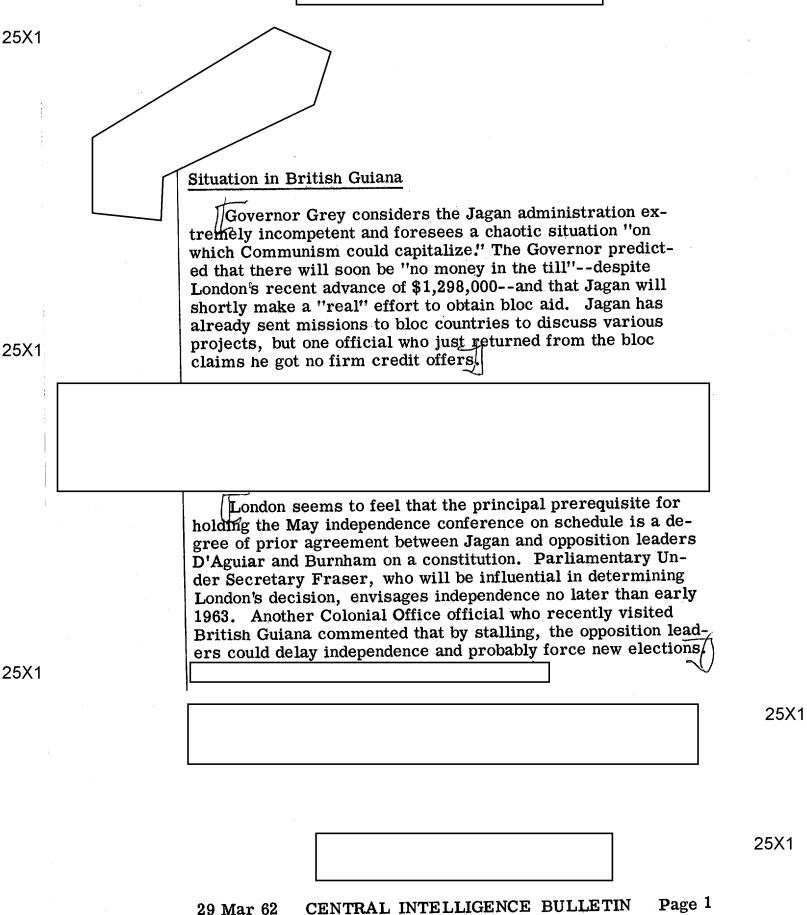
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#### Situation Report: Ecuador

The Ecuadorean cabinet is made up predominantly of conservatives and moderates. The Communists are the only national party not represented, but some alleged Communists have been appointed to subsecretarial posts, and the Ministry of Education has reportedly been strongly infiltrated.

Arosemena has ignored a request from the rightist plotters that he expel leftists from the government and break diplomatic relations with Cuba. On the other hand, he has spoken out strongly against domestic Communism and "subversion by Castroite elements." He directed his ambassador to the UN to support the US in the dispute with Cuba, and he appointed Ecuador's first representative of ambassadorial rank to the Vatican.

Arosemena has sufficient military and political backing in the coastal provinces to warrant a relatively independent position. Although the commanding officers of the armed forces and the minister of defense claim to have enough control of the armed services to force Arosemena out and establish a military junta, the officers of the coastal provinces have stated that they would not support such a move.

With congressional elections scheduled for 3 June, the plotters may decide to postpone a decision on a definite line of action until they can gauge Arosemena's post-election strength. His main political backing is in the Concentration of Popular Forces (CFP), centered in Guayaquil. If the CFP makes significant gains, the rightists will have to decide between armed revolt and acceptance. If the CFP does not improve its electoral position, they will be encouraged to renew efforts to cow Arosemena without removing him from office.

Ecuador's economic problems add to the general d	issatis-
faction. Former President Velasco's irresponsible fis	scal and
monetary policies which led to his downfall forced A	rosemena's
administration to adopt a program of foreign exchange	
and fiscal austerity. Needed reforms and development	programs
have been postponed for lack of funds, exchange specul	ation has
created some reluctance to invest and some flight of ca	apital, and
there is a manifest lack of confidence in the economy.	

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#### THE PRESIDENT The Vice President Executive Offices of the White House Special Counsel to the President Military Representative of the President The Special Assistant for National Security Affairs The Scientific Adviser to the President The Director of the Budget The Director, Office of Emergency Planning The Director, National Aeronautics and Space Administration The Department of State The Secretary of State The Under Secretary of State The Under Secretary of State for Political Affairs The Deputy Under Secretary of State for Political Affairs The Counselor and Chairman of the Policy Planning Council The Director of Intelligence and Research The Treasury Department The Secretary of the Treasury The Under Secretary of the Treasury The Department of Defense The Secretary of Defense The Deputy Secretary of Defense The Secretary of the Army The Secretary of the Navy The Secretary of the Air Force The Assistant Secretary of Defense (International Security Affairs) The Assistant Secretary of Defense The Chairman, The Joint Chiefs of Staff Chief of Naval Operations, United States Navy Chief of Staff, United States Air Force Chief of Staff, United States Army Commandant, United States Marine Corps U.S. Rep., Military Committee and Standing Group, NATO Supreme Allied Commander, Europe Commander in Chief, Pacific The Director, Defense Intelligence Agency The Director, The Joint Staff The Director for Intelligence, The Joint Staff The Assistant Chief of Staff for Intelligence, Department of Army The Director of Naval Intelligence, Department of Navy The Assistant Chief of Staff, Intelligence, Department of the Air Force The Department of Justice The Attorney General The Federal Bureau of Investigation The Director

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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